

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

Page 1 of 2

DOCKET NO.: 2007-1626-EAQ-E **TCEQ ID:** RN105282206 **CASE NO.:** 34754
RESPONDENT NAME: AHZ, LLC, MZH, LLC, ZAO, LLC, and Patrinely Group, LLC

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input checked="" type="checkbox"/> EDWARDS AQUIFER
<p>SITE WHERE VIOLATION(S) OCCURRED: Project Vision Phase 2 AKA Tesoro Headquarters, at the southeast corner of Highway 281 and Redland Road, San Antonio, Bexar County</p> <p>TYPE OF OPERATION: Commercial development site</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on January 28, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Jorge Ibarra, P.E., Enforcement Division, Enforcement Team 3, MC R-04, (817) 588-5890; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Dean Patrinely, Manager, Patrinely Group, LLC, 1980 Post Oak Boulevard, Suite 1600, Houston, Texas 77056 Mr. Michael E. Nicholls, Executive Vice President, Patrinely Group, LLC, 1980 Post Oak Boulevard, Suite 1600, Houston, Texas 77056 Mr. Gregory A. Wright, Manager, AHZ, LLC, MZH, LLC, ZAO, LLC, 1980 Post Oak Boulevard, Suite 1600, Houston, Texas 77056 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

DOCKET NO.: 2007-1626-EAQ-E

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: August 20, 2007</p> <p>Date of NOV/NOE Relating to this Case: September 17, 2007 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>WATER</p> <p>Conducted regulated activities on the Edwards Aquifer Recharge Zone prior to receiving TCEQ approval. Specifically, an estimated 2.1 acres were disturbed without prior authorization [30 TEX. ADMIN. CODE § 213.4(a)(1)].</p>	<p>Total Assessed: \$10,500</p> <p>Total Deferred: \$2,100 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$8,400</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondents applied and obtained approval of the Edwards Aquifer Protection Plan on September 17, 2007 for the Site.</p>

Additional ID No(s): N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision September 19, 2007

TCEQ

DATES	Assigned	8-Oct-2007	Screening	9-Oct-2007	EPA Due	
	PCW	10-Oct-2007				

RESPONDENT/FACILITY INFORMATION

Respondent	AHZ, LLC, MZH, LLC, ZAO, LLC, and Patrinely Group, LLC		
Reg. Ent. Ref. No.	RN105282206		
Facility/Site Region	13-San Antonio	Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	34754	No. of Violations	1
Docket No.	2007-1626-EAQ-E	Order Type	1660
Media Program(s)	Edwards Aquifer	Enf. Coordinator	Jorge Ibarra, P.E.
Multi-Media		EC's Team	EnforcementTeam 3
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 **\$14,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **0%** Enhancement Subtotals 2, 3, & 7 **\$0**

Notes No change due to Average Performer classification.

Culpability **No** **0%** Enhancement Subtotal 4 **\$0**

Notes The Respondents do not meet the culpability criteria.

Good Faith Effort to Comply **25%** Reduction Subtotal 5 **\$3,500**

Before NOV NOV to EDRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes The Respondents achieved full compliance on September 17, 2007.

Total EB Amounts	\$15
Approx. Cost of Compliance	\$4,000

0% Enhancement*

*Capped at the Total EB \$ Amount

Subtotal 6 **\$0**

SUM OF SUBTOTALS 1-7

Final Subtotal **\$10,500**

OTHER FACTORS AS JUSTICE MAY REQUIRE

0%

Adjustment **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$10,500**

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty **\$10,500**

DEFERRAL

20%

Reduction

Adjustment **-\$2,100**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$8,400

Screening Date 9-Oct-2007

Docket No. 2007-1626-EAQ-E

PCW

Respondent AHZ, LLC, MZH, LLC, ZAO, LLC, and Patrinely Group, L

Policy Revision 2 (September 2002)

Case ID No. 34754

PCW Revision September 19, 2007

Reg. Ent. Reference No. RN105282206

Media [Statute] Edwards Aquifer

Enf. Coordinator Jorge Ibarra, P.E.

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

No change due to Average Performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date 9-Oct-2007 Respondent AHZ, LLC, MZH, LLC, ZAO, LLC, and Patrinely Group, LLC Case ID No. 34754 Reg. Ent. Reference No. RN105282206 Media [Statute] Edwards Aquifer Enf. Coordinator Jorge Ibarra, P.E. Violation Number <input type="text" value="1"/>	Docket No. 2007-1626-EAQ-E PCW <i>Policy Revision 2 (September 2002)</i> <i>PCW Revision September 19, 2007</i>																														
Rule Cite(s) <input style="width: 100%;" type="text" value="30 Tex. Admin. Code § 213.4(a)(1)"/>																															
Violation Description <input style="width: 100%;" type="text" value="The Respondents are alleged to have conducted regulated activities on the Edwards Aquifer Recharge Zone prior to receiving TCEQ approval. Specifically, an estimated 2.1 acres were disturbed without prior authorization."/>																															
Base Penalty <input style="width: 100%;" type="text" value="\$10,000"/>																															
>> Environmental, Property and Human Health Matrix																															
OR	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">Harm</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Release</td> <td style="text-align: center;">Major</td> <td style="text-align: center;">Moderate</td> <td style="text-align: center;">Minor</td> <td></td> </tr> <tr> <td>Actual</td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td></td> </tr> <tr> <td>Potential</td> <td><input type="text"/></td> <td><input type="text"/></td> <td style="text-align: center;">x</td> <td> Percent <input style="width: 50px;" type="text" value="5%"/> </td> </tr> </table>		Harm				Release	Major	Moderate	Minor		Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>		Potential	<input type="text"/>	<input type="text"/>	x	Percent <input style="width: 50px;" type="text" value="5%"/>										
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>> Programmatic Matrix																															
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">Falsification</td> <td style="width: 10%; text-align: center;">Major</td> <td style="width: 10%; text-align: center;">Moderate</td> <td style="width: 10%; text-align: center;">Minor</td> <td></td> </tr> <tr> <td></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td> Percent <input style="width: 50px;" type="text" value="0%"/> </td> </tr> </table>		Falsification	Major	Moderate	Minor			<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input style="width: 50px;" type="text" value="0%"/>																		
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	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input style="width: 50px;" type="text" value="0%"/>																										
Matrix Notes	<input style="width: 100%;" type="text" value="Human health or the environment could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation."/>																														
Adjustment <input style="width: 100%;" type="text" value="\$9,500"/>																															
<input style="width: 100%;" type="text" value="\$500"/>																															
Violation Events																															
<table style="width: 100%;"> <tr> <td style="width: 40%;"> Number of Violation Events <input style="width: 50px;" type="text" value="28"/> </td> <td style="width: 20%; text-align: center;"> <input style="width: 50px;" type="text" value="28"/> </td> <td style="width: 40%;"> Number of violation days </td> </tr> </table>		Number of Violation Events <input style="width: 50px;" type="text" value="28"/>	<input style="width: 50px;" type="text" value="28"/>	Number of violation days																											
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mark only one with an x	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">daily</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td style="text-align: center;">monthly</td> <td><input type="text"/></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">quarterly</td> <td><input type="text"/></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">semiannual</td> <td><input type="text"/></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">annual</td> <td><input type="text"/></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">single event</td> <td style="text-align: center;">x</td> <td></td> <td> Violation Base Penalty <input style="width: 100px;" type="text" value="\$14,000"/> </td> </tr> </table>		daily					monthly	<input type="text"/>				quarterly	<input type="text"/>				semiannual	<input type="text"/>				annual	<input type="text"/>				single event	x		Violation Base Penalty <input style="width: 100px;" type="text" value="\$14,000"/>
	daily																														
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	semiannual	<input type="text"/>																													
	annual	<input type="text"/>																													
	single event	x		Violation Base Penalty <input style="width: 100px;" type="text" value="\$14,000"/>																											
<input style="width: 100%;" type="text" value="Twenty-eight single events are recommended from the August 20, 2007 investigation date to the compliance date of September 17, 2007."/>																															
Economic Benefit (EB) for this violation																															
<table style="width: 100%;"> <tr> <td style="width: 50%;"> Estimated EB Amount <input style="width: 100px;" type="text" value="\$15"/> </td> <td style="width: 50%;"> Statutory Limit Test </td> </tr> </table>		Estimated EB Amount <input style="width: 100px;" type="text" value="\$15"/>	Statutory Limit Test																												
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Violation Final Penalty Total <input style="width: 100px;" type="text" value="\$10,500"/>																															
This violation Final Assessed Penalty (adjusted for limits) <input style="width: 100px;" type="text" value="\$10,500"/>																															

Economic Benefit Worksheet**Respondent** AHZ, LLC, MZH, LLC, ZAO, LLC, and Patrinely Group, LLC**Case ID No.** 34754**Reg. Ent. Reference No.** RN105282206**Media** Edwards Aquifer**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$4,000	20-Aug-2007	17-Sep-2007	0.1	\$15	n/a	\$15

Notes for DELAYED costs

Estimated cost to prepare and submit an EAPP. Date Required is the investigation date, Final Date is the compliance date.

Avoided Costs**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs**Approx. Cost of Compliance**

\$4,000

TOTAL

\$15

Compliance History

Customer/Respondent/Owner-Operator:	CN603242587	AHZ LLC	Classification: AVERAGE	Rating: 3.01
Regulated Entity:	RN105282206	PROJECT VISION PH 2 AKA TESORO HDQ	Classification: AVERAGE	Site Rating: 3.01
ID Number(s):	EDWARDS AQUIFER	REGISTRATION	13-07071301	
	EDWARDS AQUIFER	REGISTRATION	13-07071301A	
Location:	SE CORNER OF HWY 281 AND REDLAND RD			
TCEQ Region:	REGION 13 - SAN ANTONIO			
Date Compliance History Prepared:	October 09, 2007			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	October 09, 2002 to October 09, 2007			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	Jorge Ibarra, P.E.	Phone:	(917) 588-5890	

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | N/A |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

- | | |
|------------------------|---|
| A. | Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government. |
| | N/A |
| B. | Any criminal convictions of the state of Texas and the federal government. |
| | N/A |
| C. | Chronic excessive emissions events. |
| | N/A |
| D. | The approval dates of investigations. (CCEDS Inv. Track. No.) |
| | 1. 10/04/2007 (570046) |
| E. | Written notices of violations (NOV). (CCEDS Inv. Track. No.) |
| | N/A |
| F. | Environmental audits. |
| | N/A |
| G. | Type of environmental management systems (EMSs). |
| | N/A |
| H. | Voluntary on-site compliance assessment dates. |
| | N/A |
| I. | Participation in a voluntary pollution reduction program. |
| | N/A |
| J. | Early compliance. |
| | N/A |
| Sites Outside of Texas | |
| | N/A |

Compliance History

Customer/Respondent/Owner-Operator:	CN603242595	MZH LLC	Classification: AVERAGE	Rating: 3.01
Regulated Entity:	RN105282206	PROJECT VISION PH 2 AKA TESORO HDQ	Classification: AVERAGE	Site Rating: 3.01
ID Number(s):	EDWARDS AQUIFER	REGISTRATION	13-07071301	
	EDWARDS AQUIFER	REGISTRATION	13-07071301A	
Location:	SE CORNER OF HWY 281 AND REDLAND RD			
TCEQ Region:	REGION 13 - SAN ANTONIO			
Date Compliance History Prepared:	October 09, 2007			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	October 09, 2002 to October 09, 2007			

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Jorge Ibarra, P.E. Phone: (817) 588-5890

Site Compliance History Components

- | | |
|--|------------|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | <u>N/A</u> |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

- | | | |
|------------------------|---|------------------------|
| A. | Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government. | N/A |
| B. | Any criminal convictions of the state of Texas and the federal government. | N/A |
| C. | Chronic excessive emissions events. | N/A |
| D. | The approval dates of investigations. (CCEDS Inv. Track. No.) | 1. 10/04/2007 (570046) |
| E. | Written notices of violations (NOV). (CCEDS Inv. Track. No.) | N/A |
| F. | Environmental audits. | N/A |
| G. | Type of environmental management systems (EMSs). | N/A |
| H. | Voluntary on-site compliance assessment dates. | N/A |
| I. | Participation in a voluntary pollution reduction program. | N/A |
| J. | Early compliance. | N/A |
| Sites Outside of Texas | | N/A |

Compliance History

Customer/Respondent/Owner-Operator:	CN603242603	ZAO LLC	Classification: AVERAGE	Rating: 3.01
Regulated Entity:	RN105282206	PROJECT VISION PH 2 AKA TESORO HDQ	Classification: AVERAGE	Site Rating: 3.01
ID Number(s):	EDWARDS AQUIFER	REGISTRATION	13-07071301	
	EDWARDS AQUIFER	REGISTRATION	13-07071301A	
Location:	SE CORNER OF HWY 281 AND REDLAND RD			
TCEQ Region:	REGION 13 - SAN ANTONIO			
Date Compliance History Prepared:	October 09, 2007			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	October 09, 2002 to October 09, 2007			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	Jorge Ibarra, P.E.		Phone:	(817) 588-5890

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | N/A |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

- | | | |
|------------------------|---|------------------------|
| A. | Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government. | N/A |
| B. | Any criminal convictions of the state of Texas and the federal government. | N/A |
| C. | Chronic excessive emissions events. | N/A |
| D. | The approval dates of investigations. (CCEDS Inv. Track. No.) | 1. 10/04/2007 (570046) |
| E. | Written notices of violations (NOV). (CCEDS Inv. Track. No.) | N/A |
| F. | Environmental audits. | N/A |
| G. | Type of environmental management systems (EMSs). | N/A |
| H. | Voluntary on-site compliance assessment dates. | N/A |
| I. | Participation in a voluntary pollution reduction program. | N/A |
| J. | Early compliance. | N/A |
| Sites Outside of Texas | | N/A |

Compliance History

Customer/Respondent/Owner-Operator:	CN603206467	PATRINELY GROUP LLC	Classification: AVERAGE	Rating: 3.01
Regulated Entity:	RN105282206	PROJECT VISION PH 2 AKA TESORO HDQ	Classification: AVERAGE BY DEFAULT	Site Rating: 3.01
ID Number(s):	EDWARDS AQUIFER	REGISTRATION	13-07071301	
	EDWARDS AQUIFER	REGISTRATION	13-07071301A	
Location:	SE CORNER OF HWY 281 AND REDLAND RD		Rating Date: September 01 07 Repeat Violator: NO	
TCEQ Region:	REGION 13 - SAN ANTONIO			
Date Compliance History Prepared:	October 09, 2007			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	October 09, 2002 to October 09, 2007			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	Jorge Ibarra, P.E.	Phone:	(817) 588-5890	

Site Compliance History Components

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| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

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|------------------------|---|
| A. | Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government. |
| | N/A |
| B. | Any criminal convictions of the state of Texas and the federal government. |
| | N/A |
| C. | Chronic excessive emissions events. |
| | N/A |
| D. | The approval dates of investigations. (CCEDS Inv. Track. No.) |
| | 1. 10/04/2007 (570046) |
| E. | Written notices of violations (NOV). (CCEDS Inv. Track. No.) |
| | N/A |
| F. | Environmental audits. |
| | N/A |
| G. | Type of environmental management systems (EMSs). |
| | N/A |
| H. | Voluntary on-site compliance assessment dates. |
| | N/A |
| I. | Participation in a voluntary pollution reduction program. |
| | N/A |
| J. | Early compliance. |
| | N/A |
| Sites Outside of Texas | |
| | N/A |

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
AHZ, LLC, MZH, LLC, ZAO, LLC,
AND PATRINELY GROUP, LLC
RN105282206**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-1626-EAQ-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding AHZ, LLC, MZH, LLC, ZAO, LLC, and Patrinely Group, LLC ("the Respondents") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondents appear before the Commission and together stipulate that:

1. The Respondents own and operate a commercial development site at the southeast corner of Highway 281 and Redland Road in San Antonio, Bexar County, Texas (the "Site").
2. The Respondents have caused, suffered, allowed or permitted the discharge of any waste or the performance of any activity in violation of TEX. WATER CODE ch. 26 or any rule, permit, or order of the Commission.
3. The Commission and the Respondents agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondents are subject to the Commission's jurisdiction.
4. The Respondents received notice of the violations alleged in Section II ("Allegations") on or about September 22, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondents of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Ten Thousand Five Hundred Dollars (\$10,500) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondents have paid Eight Thousand Four Hundred Dollars (\$8,400) of the administrative

penalty and Two Thousand One Hundred Dollars (\$2,100) is deferred contingent upon the Respondents' timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondents fail to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondents to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondents have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondents applied and obtained approval of the Edwards Aquifer Protection Plan ("EAPP") on September 17, 2007 for the Site.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondents have not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owners and operators of the Site, the Respondents are alleged to have conducted regulated activities on the Edwards Aquifer Recharge Zone prior to receiving TCEQ approval, in violation of 30 TEX. ADMIN. CODE § 213.4(a)(1), as documented during an investigation conducted on August 20, 2007. Specifically, an estimated 2.1 acres were disturbed without prior authorization.

III. DENIALS

The Respondents generally deny each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

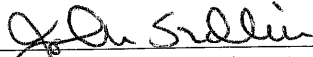
1. It is, therefore, ordered by the TCEQ that the Respondents pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondents' compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: AHZ, LLC, MZH, LLC, ZAO, LLC, and Patrinely Group, LLC, Docket No. 2007-1626-EAQ-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The Respondents are jointly and severally liable for the violations documented in this Agreed Order, and are jointly and severally liable for timely and satisfactory compliance with all terms and conditions of this Agreed Order.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondents. The Respondents are ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Site operations referenced in this Agreed Order.
4. This Agreed Order, issued by the Commission, shall not be admissible against the Respondents in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
5. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
6. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondents, or three days after the date on which the Commission mails notice of the Order to the Respondents, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

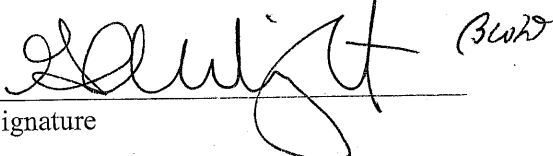
2/14/2008
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

11.19.07
Date

GREGORY A. WRIGHT
Manager

Name (Printed or typed)
Authorized Representative of
AHZ, LLC

MANAGER
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

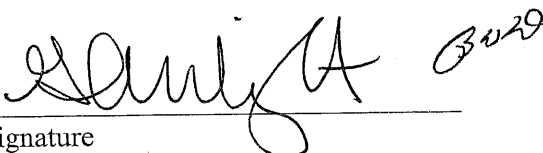
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- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

11.19.07
Date

GREGORY A. WRIGHT
~~Manager~~

MANAGER
Title

Name (Printed or typed)
Authorized Representative of
MZH, LLC

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

Date

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In addition, any falsification of any compliance documents may result in criminal prosecution.

Signature

Date

GREGORY A. WRIGHT

~~Manager~~
Name (Printed or typed)
Authorized Representative of
ZAO, LLC

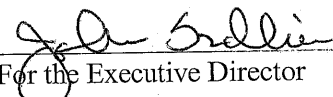
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For the Commission


For the Executive Director

2/14/2008
Date

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- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

D.h


Signature

11/21/07
Date

MICHAEL E. NICHOLLS
Name (Printed or typed)
Authorized Representative of
Patrinely Group, LLC

EXECUTIVE VICE PRESIDENT
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

